

4.0 EXECUTION

Project baselines, and the Draft Annual Performance Plan provide the starting point for program/project execution. In August, EM Headquarters prepares the initial Approved Funding Program (AFP) in coordination with the Field. EM then establishes execution year management commitments based on the appropriated funding and the DOE Annual Performance Plan submitted to Congress. The Field executes the work according to the approved life-cycle baseline, the AFP, and the management commitments. Throughout the execution process, the Field must update and maintain the AFP. A baseline change control process must be utilized to manage baselines. Baseline changes exceeding thresholds are provided to EM Headquarters for approval. Strategic Systems will be required to follow the ESAAB process, which requires the Secretary's approval for selected critical decisions. At the request of the Secretary, EM will participate in Energy System Acquisition Reviews. The EM execution process ends with information being provided to the EM evaluation process. Figure 11 shows the EM execution business processes.

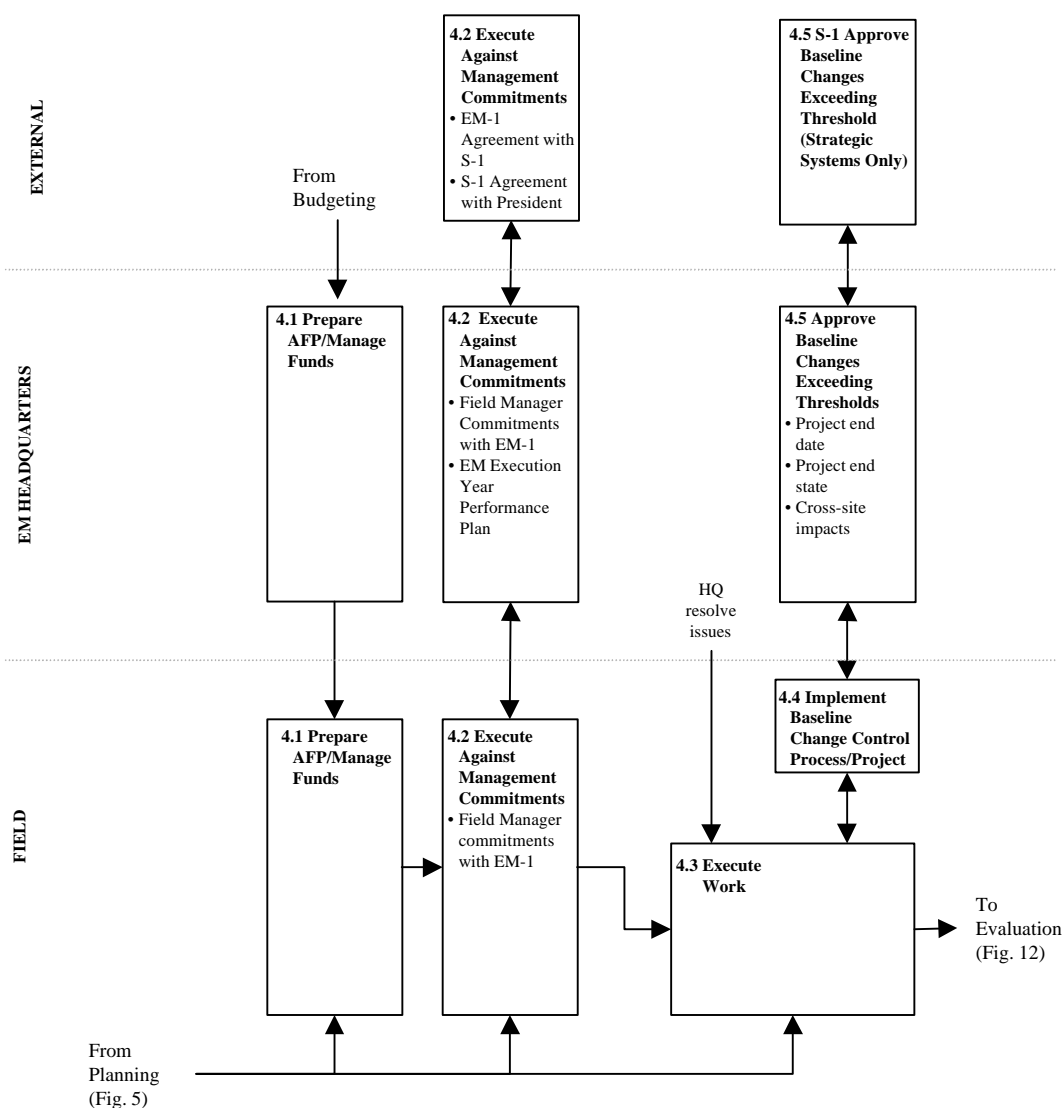


Figure 11. EM Execution Processes

The following sections provide details on the IPABS execution elements.

4.1 APPROVED FUNDING PROGRAM

The AFP (also known as the Financial Plan) is a CFO document issued monthly to the EM Budget Office, setting forth the funds available for obligation and expenditure in each appropriation account and identifying suballocations of EM Programs to allotment holders in the Operations/Field offices. The EM Headquarters Budget Office prepares the AFP at the Congressional Control Level, based on input from the Operations/Field Offices and in collaboration with the Headquarters program staff. The AFP provides detailed funding guidance for specific projects based on the Department's Congressional Budget Request.

The initial AFP is prepared by Headquarters in August based on funding and direction provided in the lower of the House or Senate mark (if no appropriation is passed in August). The funding allocation in the initial AFP is based on the Department's Budget Request, as modified through the Congressional appropriation. In some years, because the Congressional appropriation is not passed into law when the initial AFP is prepared, the initial AFP is prepared at the lowest available Congressional committee mark. This is done to provide an audit trail from EM's Congressional Budget Request to the initial AFP. Changes requested by the Field for "convenience" are discouraged in developing the initial AFP because those changes often have no formal audit trail in the initial AFP process. The initial AFP is available on October 1 of each year. Beginning in November, and each month thereafter, the Field may submit planned changes to the Headquarters Budget Office with formal notification and certification of funds availability, which provides the necessary audit trail of Field changes to the Congressional appropriation. For an urgent, unplanned change, the Field may immediately make financial adjustments at the site and notify Headquarters as part of the next monthly change cycle. During execution, it is expected that the Field, in coordination with Headquarters, will make AFP changes within the Congressional Control Level, as required, to address changing priorities, support corrective actions, or reduce carryover. The Field shall coordinate changes to the AFP with the appropriate Headquarters Program Managers. Additional guidance is provided in the *Standard Operating Procedures on AFP* issued by EM-23 on August 4, 1998.

4.2 MANAGEMENT COMMITMENTS

Management Commitments are commitments to perform work and meet specified performance objectives in return for a given amount of funding. They are one of the primary mechanisms for establishing accountability for achieving results. The Assistant Secretary for Environmental Management will establish Execution Year Management Commitments with each Operations/Field Office Manager. These commitments are comprised of EM's Corporate Performance Measures, key high visibility project milestones, Site Critical Path milestones, and other major milestones. The commitments will be tailored to individual Operations/Field Offices and will provide a balanced approach to determining critical program expectations and to assessing EM's progress towards meeting key programmatic and high visibility project goals and objectives.

Execution Year Management Commitments will be set within the context of the previous year's actual results, the subsequent planning year, and life-cycle goal to provide a comprehensive representation of actual and planned program progress. Management Commitments will be signed after EM finalizes the Execution Year Appropriations Allocations to ensure that the commitments reflect necessary adjustments to execution year performance goals as a result of Congressional action. Adjustments to Management Commitments will not be allowed once they are finalized. It is anticipated that EM-1/Operations/Field Manager commitments will be incorporated into managers' performance appraisals, as appropriate, to establish accountability. The status of the Management Commitments will be reported during EM's Quarterly Management Reviews.

Operations/Field Offices will work with the Headquarters Site Team Leads and program staff to establish meaningful Execution Year Management Commitments, including a limited number of

milestones that are especially critical to EM Program success for the execution year. These milestones must include critical path activities and high visibility project milestones. Headquarters Site Leads will ensure that their Lead DASs are in agreement with the Operations/Field Office's proposed commitments prior to signature by EM-1. EM Headquarters will then generate an Execution Year Management Commitment document for each Operations/Field Office. These documents will be reviewed and signed by EM-1 by January of each year, and they will subsequently be distributed to each Operations/Field Office Manager for signature.

The Execution Year Management Commitments between EM-1 and the Operations/Field Office Managers will be linked to higher-level Management Commitment documents, including the Annual Performance Plan and the Secretary's Performance Agreement with the President.

4.3 PROGRAM/PROJECT EXECUTION

Based on the EM Project baseline and the funding in the AFP, the Field Project Manager executes the project in accordance with all project, program, DOE, OMB, and other compliance requirements. Preparation of a Current Year Work Plan or an Annual Operating Plan is at the Field's discretion. The execution year project baseline information in the PBS should describe the planned scope, schedule, and cost for each EM Project for the execution year. As work is performed, cost, schedule, and project performance are monitored using appropriate performance measures and measurement techniques. The Field will utilize earned value management for discrete Field activities and projects, including line item projects. EM senior managers and Headquarters Site Leads have an important role to play in helping to resolve emerging issues that may need to be addressed during project execution. Headquarters Site Leads will identify EM policies and guidance required to help the site achieve enhanced performance and will advocate development of appropriate EM policies and guidance.

4.4 FIELD BASELINE CHANGE CONTROL

Baseline change control supports establishment of accountability in IPABS. The Field must establish and implement a traceable and documented change control process, in accordance with Department requirements, for managing changes to project baselines, including scope, schedule, and cost elements, for all EM Projects. The Field baseline change control procedures should be in accordance with the Department's ESAAB Notice and the *Joint Program Office Direction on Project Management* (JPODPM). The JPODPM will be revised to be consistent with the information in this handbook. Baseline change control should be implemented at the project level. The Operations/Field Office Manager establishes Field decision-making authority levels and thresholds. Field baseline change control will be integrated with contract and contractor baseline change control as required. Copies of approved project baseline changes must be maintained by the Field to ensure traceability and will be provided to the EM Lead Site DAS, as requested. The Field must provide a copy of the baseline change control log to the EM Lead Site DAS on a quarterly basis. Copies of all baseline changes for Strategic Systems and Major Systems will be sent to the Headquarters Site Lead for information.

4.5 HEADQUARTERS INVOLVEMENT IN PROJECT BASELINE CHANGE CONTROL

Major changes to EM Project baselines that potentially affect the Field's ability to support the EM Vision will require approval from EM Headquarters. Headquarters involvement in project baseline change control will be based on changes reflected in the PBS. EM Headquarters must also be involved in approval of baseline changes for designated Strategic Systems and Major Systems. Table 1 defines minimum thresholds for EM Headquarters involvement in project baseline change control actions. These thresholds apply to individual baseline change proposals. The Lead Site DAS may require a Headquarters baseline change approval below the EM Project level and below the thresholds in Table 1, as negotiated with the Field.

Table 1. Minimum Thresholds for EM Headquarters Approval of EM Project Baseline Changes

Change Type	Threshold for HQ Approval	Specific Data Element To be Controlled
EM Project End State	Any material change to project end state	End state narrative in PBS baseline section
EM Project End Date	Project end date changes greater than 10 percent of duration between 1997 and project completion	End date milestone in PBS baseline section
Major Project Milestones	Six month or greater projected slip in completion date	Major milestones (e.g., Site Critical Path) as determined by Headquarters Site Lead
EM Project Cost	Project cost changes that exceed 10 percent of the project costs reported in the 1998 <i>Paths to Closure</i>	Project cost in PBS baseline section
Project Impacts on Other Sites	Any changes to milestone descriptions and baseline dates that are mutually agreeable to affected sites	Milestone descriptions and baseline dates for designated "inter-site" milestones in PBS
Changes to EM Projects	Any change to EM Project/PBS structure	EM Project/PBS Structure

Changes to project baselines driven by funding reductions are considered directed changes and require Headquarters approval only if thresholds are exceeded.

EM Headquarters involvement in baseline change control for EM Projects requires use of Field documentation and procedures. Whenever a threshold for Headquarters involvement is exceeded, the Field must submit a copy of the Field-proposed project baseline change control documentation, including the description of the change and the impact analysis, to the Lead Site DAS. The Lead Site DAS coordinates review of the baseline change proposal among affected EM organizations, and approves or disapproves the change as appropriate. When the Field is proposing project baseline changes that affect other sites, the Lead Site DAS must ensure that the change is coordinated with the affected sites. The Lead Site DAS must promptly communicate approval or disapproval of requested project baseline changes to the Field site, which will update baseline documentation as appropriate. A target of 20 days is established for Headquarters review and approval of changes to EM Project baselines. The most current status

of project baseline changes should be reflected in a “once a year” PBS update of life-cycle baseline information; however, project baseline documentation should be revised as soon as the baseline change is approved.

EM Strategic Systems and Major Systems will follow departmental requirements that require Critical Decision approval by the Secretary of Energy (Strategic Systems) and the Assistant Secretary for Environmental Management (Major Systems).

4.6 PROJECT AND GEOGRAPHIC SITE CLOSEOUT

Upon completion of each EM Project, the Field must send a letter to the Lead Site DAS to document project completion. In addition, the Field should prepare a Project Completion Report to ensure orderly closing of the project. Using a graded approach, the following items should be addressed in the report: Technical, cost and schedule baseline accomplishments; final cost report; deactivation, decontamination and decommissioning planning (if required); close out approvals; permits, licenses, and/or environmental documentation; contract close out status; lessons learned; adjustments to obligations and costs; photographic documentation (if required); baseline change proposal log (if required); and transfer to the long-term surveillance and maintenance program, as appropriate. Documentation may be a single document, or combinations of other documents. The target date for project closeout is the “complete project” milestone date, which is controlled through the Headquarters change control process. It is required that the Field ensure that project lessons learned are documented in the DOE Lessons Learned System. Actual costs for completed projects should be documented using the Environmental Management Uniform Cost Structure and captured electronically using the Historical Cost Analysis System operated by the Interagency Cost Engineering Group.

Upon completion of cleanup at each geographic site, the Field must send a letter to the Lead Site DAS to document project completion. For Environmental Restoration activities this should include any independent verification of the cleanup. Geographic sites are considered complete when:

- Deactivation or decommissioning of all facilities current in the EM Program has been completed, excluding any long-term surveillance and monitoring
- All releases to the environment, have been cleaned up in accordance with agreed-upon cleanup standards
- Groundwater contamination has been contained, or long-term treatment or monitoring is in place
- Nuclear material and spent fuel have been stabilized and/or placed in safe long-term storage
- “Legacy” waste (i.e. waste produced by past nuclear weapons production activities, with the exception of high level waste) has been disposed of in an approved manner.